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**U.S. DISTRICT COURT**

**DISTRICT OF NEVADA**

NML CAPITAL, Ltd.

Plaintiff,

vs.

M. F. CORPORATE SERVICES (NEVADA)  
 LIMITED,

Defendant.

2:14-cv-00492-JAD-VCF

**NON-PARTY MF CORPORATE  
 SERVICES (NEVADA)  
 LIMITED'S STATUS REPORT  
 AND PROPOSED DISCOVERY  
 SCHEDULE**

COMES NOW Non-Party MF Corporate Services Nevada (Limited) ("MF Nevada") and respectfully submits this Status Report and Proposed Discovery Schedule:

On March 16, 2015, the Court issued its Order (the "March 16 Order") by which it asserted jurisdiction over Mossack Fonseca & Co., an affiliate and client of MF Nevada. On March 30, 2015, citing certain ambiguities within the March 16 Order, MF Nevada submitted its Motion to Clarify the March 16 Order (the "Motion to Clarify"). Due in part to the ambiguities explained in the Motion to Clarify, MF Nevada contemporaneously submitted its Objection to the March 16 Order (the "Objection").

By its terms, the March 16 Order directed NML Capital Ltd. ("NML") to meet and confer with MF Nevada and/or Mossack Fonseca—the exact target of this direction is unclear and is one of the matters that MF Nevada has asked the Magistrate Judge to clarify—and submit a proposed discovery schedule by April 20, 2015.

1 Following issuance of the March 16 Order, MF Nevada conferred with NML. During  
2 their discussions, counsel for MF Nevada informed NML's counsel that Mossack Fonseca had  
3 retained counsel and would be in contact with them to discuss a discovery schedule but that MF  
4 Nevada did not believe it had further, unfulfilled discovery obligations at that time.

5 Since that time, Mossack Fonseca has retained counsel and has moved to intervene in this  
6 proceeding. Additionally, MF Nevada's counsel is informed by Mossack Fonseca's counsel that  
7 they have attempted to initiate discussions with NML regarding a schedule for production of  
8 documents and compliance with the August 27 Supboena. Mossack Fonseca's counsel reports  
9 that NML's counsel delayed issuing a decision or a proposal for a schedule and has failed to  
10 return calls or inquiries by Mossack Fonseca's counsel on the grounds that lead counsel has been  
11 unavailable.

12 Because the March 16 Order is unclear, for the avoidance of doubt, and because MF  
13 Nevada is informed that reasonable, good-faith efforts by Mossack Fonseca to reach a schedule  
14 have been met with a cold shoulder, on April 17, 2015, MF Nevada submitted a Motion to Stay  
15 the Effect of the March 16 Order (the "Motion to Stay"). The relief requested by MF Nevada in  
16 its Motion to Stay was designed to permit discussions among the proper parties to continue and  
17 reach a productive end.

18 During the weeks leading up to the April 20 deadline for submitting a proposed discovery  
19 schedule, counsel for MF Nevada and counsel for Mossack Fonseca each contacted counsel for  
20 NML to request a stay to permit discussions to continue. In both cases, NML replied that lead  
21 counsel was unavailable and that a response would be forthcoming.

22 At 1:40 on April 20, 2015—the deadline imposed by the March 16 Order—counsel for  
23 NML submitted the following proposal:

24 (1) [a] stay [with respect to the March 16 Order] stay shall remain  
25 in effect for 10 calendar days following the District Court's  
26 resolution of the objections to the Order submitted by MF Nevada  
27 and Ms. Amunategui; (2) if the District Court affirms any part of  
28 the Order, within ten (10) calendar days after issuance of the  
District Court's decision, Mossack Fonseca will commence  
production of all documents in accordance with the District  
Court's decision; and (3) Mossack Fonseca will comply with  
jurisdictional discovery to be served on it by NML – the content of

1                   which will be agreed to in advance by the parties – promptly  
2                   following service of such discovery.

3           Counsel for NML reported that if the proposal were not immediately accepted, that NML would  
4           submit its own proposed discovery schedule and report to the Court that no agreement was  
5           possible. At the same time, lead counsel for NML informed counsel for Mossack Fonseca that  
6           he was “not authorized to negotiate” with Mossack Fonseca with respect to terms for compliance  
7           with the August 27 Subpoena.

8           The timing of this proposal—after weeks of attempts by MF Nevada and by Mossack  
9           Fonseca to discuss this matter with NML have been rejected—did not permit counsel for MF  
10          Nevada or, as informed by counsel, Mossack Fonseca, to discuss this matter with their respective  
11          clients.

12          Additionally, the terms as proposed are not reasonable under the circumstances.  
13          Assuming that the March 16 Order is left unclarified, MF Nevada will be forced to assume that it  
14          is itself required to travel to Panama to obtain the documents requested from its client, Mossack  
15          Fonseca. This will take time and resources, given that MF Nevada and its employee have no  
16          oversight responsibility or even detailed knowledge about the internal affairs or operations of  
17          Mossack Fonseca. Furthermore, certain aspects of compliance with the August 27 Subpoena  
18          remain unresolved, such as the assertion of privilege, preparation of a privilege log, and even  
19          discussions about compensation by NML for time and expenses as contemplated by the March  
20          16 Order.

21          Based on the representations of counsel for NML and for Mossack Fonseca, and despite  
22          good faith efforts by Mossack Fonseca to reach an agreement, it does not appear that an  
23          agreement is immediately forthcoming. However, MF Nevada remains committed to complying  
24          with the Court’s orders and hopes to facilitate further discussions between Mossack Fonseca and  
25          NML.

26          With that in mind, without waiving its arguments or claims with respect to the March 16  
27          Order, MF Nevada proposes the following discovery schedule:  
28

- 1 1. Mossack Fonseca or its designee will begin production of documents in response to
- 2 the August 27 Subpoena within sixty (60) days of a decision by the District Court
- 3 affirming the Magistrate Judge's March 16 Order.
- 4 2. Documents may be produced subject to privilege, attorney work-product or the like,
- 5 the claim of which shall be submitted in a privilege log that provides the information
- 6 required by Rule 26(b)(5) of the Federal Rules of Civil Procedure.
- 7 3. Within thirty (30) days of a decision by the District Court affirming the Magistrate
- 8 Judge's March 16 Order, NML and Mossack Fonseca or its designee shall meet and
- 9 confer with respect to compensation for meeting the burden and expense of
- 10 production.

11 Dated: April 20, 2015

12 WOODS ERICKSON & WHITAKER LLP

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